


# **EXHIBIT VV**

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## HEADER

**Source ID:** [REDACTED]  
**Date:** 12/06/2018  
**Case Agent Name:** CEDRONE, KAITLYN  
**Field Office/Division:** Boston  
**Squad:** C 10

## SOURCE REPORTING

**Date of Contact:** 11/29/2018

**List all present including yourself (do not include the CHS):**

SA Keating  
 SA Cedrone  
 SA Smith  
 AUSA Rosen  
 AUSA O'Connell  
 AUSA Leslie Wright  
 AUSA Kristen Kearney

**Type of Contact:** In Person  
  
**Country:** UNITED STATES  
**City:** Chelsea  
**State:** Massachusetts  
  
**Date of Report:** 12/06/2018

## Substantive Case File Number

[REDACTED]

**Check here if additional reporting is in Echo**

No

**Source Reporting:**

On November 29, 2018, CHS met with FBI Special Agents Kaitlyn Cedrone and Laura Smith, IRS Special Agent Elizabeth Keating, and AUSA's Eric Rosen, Justin O'Connell, Leslie Wright, and Kristen Kearney at the Marriott Residence Inn located in Chelsea, Massachusetts. CHS provided the following information:

CHS clarified that Sophia Santorio took the test with Natalie Henriquez.

**Gordie Ernst's ("Ernst"):**

Ernst's wife, [REDACTED] is in charge of the family finances. CHS believes that Lisa knows that Ernst received money for something but CHS never told [REDACTED] about the deal CHS had with Ernst.


[REDACTED] was responsible for the bookkeeping of CHS' nonprofit and for profit businesses. [REDACTED] used Quickbooks to manage the accounting. Masera was responsible for submitted documents to CPA [REDACTED]. CHS directed [REDACTED] by telling him when to make payments to coaches and facilitators and when to bill parents. [REDACTED] gave the Quickbooks documents to [REDACTED] once a year so taxes would be filed. CHS meets with [REDACTED] once a year to review CHS's tax returns before the are filed. CHS reviews the returns with [REDACTED] and makes sure they are accurate. CHS does not physically sign the returns but he/she reviews and approves the returns for filing.

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██████████ took over the booking for CHS' nonprofit and for profit entities in approximately January 2018. CHS hired Creating Answers late in the spring of 2018.

**The Edge:**

The Edge was originally created for CHS to work with international students, and then CHS began working with students from the United States. CHS believes the Edge files a Form 1120.

**RWS:**

RWS was created by Williams to create a tax benefit for CHS. CHS received money from RWS. CHS does not know the exact purpose of RWS.

**The Key Worldwide Foundation ("KWF"):**

CHS talked to a friend, who was an attorney, about nonprofits. She created and prepared the documents for CHS to create the KWF. The purpose of the nonprofit was to serve under served kids but then CHS thought that a family could contribute a bribe payment to KWF for help to get their child into college. The parent could then write off the payment as a donation on their taxes and CHS could use the money to help people.

CHS used personal credit cards to pay KWF expenses. The KWF did not have a credit card in its name. The money going to or from the Edge account was probably for credit card reimbursements. The only personal funds that CHS took from the KWF was \$500,000 for a salary payment. CHS treated it as compensation on his/her personal tax return and paid taxes of approximately \$250,000 on it.

CHS bought a Sprinter van from Midwest Auto Group. CHS thinks that it was paid for out of The Edge account because recently the KWF was going to purchase the Sprinter van from The Edge. CHS used the Sprinter van for work in both the for profit and nonprofit businesses.

CHS does not keep track of the banking activity of the KWF.

Parents paid CHS for working with their children for legitimate purposes. CHS would tell parents that the KWF could issue them an invoice in their names or their businesses name. CHS told them that if the invoice was in the business name they could write it off as a business expense for consulting fees on their tax returns. Masera sent invoices to the families.

The ██████████ family paid the KWF \$250,000 total. CHS did not know why only \$100,000 and not the entire \$250,000 was reported on the KWF 2016 Form 990. The amount was determine by ██████████ ██████████ prepared to books to give to the CPA.

CHS thought that all the the payments from parents are included on the KWF tax returns and that taxes were paid on it. CHS told parents that they can write off the payments made to the KWF on their taxes as a charitable deduction.

CHS did not know why the amount paid by ██████████ reports a donation of \$250,000 instead of the check amount of \$300,000. CHS thought it was possible the \$50,000 paid to Ernst was deducted.

*(Agent Note: CHS reviewed the Contribution list on the spreadsheet prepared by SA Elizabeth Keating)*

██████████:  
The payment from ██████████ was to thank CHS for helping him get his children into school.

██████████  
CHS did not have an explicit conversation with ██████████ about how the financial arrangement would work.


██████████  
The \$250,000 payment to the KWF from ██████████ was for CHS helping his kids get into college.

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All the other people listed as contributing to the KWF were for CHS getting their kids into college. No legitimate donations were made to the KWF.

*(Agent Note: CHS reviewed the Other Expenses on the spreadsheet prepared by SA Elizabeth Keating)*

All the businesses listed in the Other Expenses section are legitimate expenses of the KWF and not related to business dealings.

Better LA:

Better LA was a project with Pete Carroll to help inner city kids in LA.

Key Math Development:

Key Math Development was created to teach math to minority students.

Financial Literacy Project:

Financial Literacy Project was created to teach reading to minority students.

Key Intern Development:

Key Intern Development is similar to Better LA.

Generation WOW:

Generation WOW is a nonprofit that helps inner city girls.

Scholarship Awards

CHS did not know what was included in Scholarship Awards expense.

*(Agent Note: CHS reviewed the Grants list on the spreadsheet prepared by SA Elizabeth Keating)*

CSUF:

The F in CSUF may stand for [REDACTED] It was possibly a payment to Ali K.

McDonough Gym:

Ernst told CHS to give some money to the gym during the period CHS was still paying Ernst.

Community Donations:

The community donations are actual donations paid.

DePaul Religious Studies:

The payments to DePaul were legitimate donations for religious studies.

Generation W

Payments made to Generation W were for helping inner city women. It is a nonprofit similar to Generation WOW.

NYU

The payments to NYU were not a quid pro quo for getting students into NYU. [REDACTED] helped CHS by providing guidance. She did not have any influence to get kids into NYU. The money goes to her program and fundraising.

USC Baseball

The money given to USC baseball was probably for [REDACTED] [REDACTED] is a good player and plays baseball at USC. CHS handed a check to the baseball coach.

USC Water Polo:

This payment was for helping kids get into USC. The students actually played on the water polo team.

USC Womens Soccer:

CHS did not know why the payment was for \$25,000. The money would have gone to Ali K.

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**Baruch College:**

██████████ helped students get into college. ██████████ told CHS to make the payments to the college. ██████████ did research for CHS.

**Chapman University:**

CHS paid money to "grease the wheel." Not all students that CHS submits to Chapman get in.

**City of Houston:**

CHS did not know what this payment was for.

**Friends of Cambodia:**

This was a legitimate donation made for dentists to travel to Cambodia and perform dental work.

**Loyola High School:**

The payments made to the high school were for Jovan Vavic's children's tuition.

**University of Miami:**

CHS did not remember why a payment was made to the University of Miami. It may be because he did work with the university. No kids that he worked with attended this school.

**University of Texas:**

The payment was to Michael Center. CHS wrote checks to the program but does not remember it being that much.

**USC Soccer:**

CHS did not remember what that payment were for.

**USC Womans Athletics and USC Womens Volleyball:**

The payments were made for Donna Heinel. ██████████ plays volleyball at USC.

**Yale Summer Time Sports:**

This was a payment to Rudy Meredith.

**Ladylike Foundation:**

Ladylike foundation is a real charity.

**Princeville Enterprises:**

CHS did not remember who the payment went to.

**USC Soccer:**

CHS did not remember what this payment was for.

**Bluesky:**

This money was for the investment into the Swansea City Soccer Group in Wales.

**Food with Purpose:**

CHS owns 20% of a Sharkey's franchise and Food with Purpose was for the investment in Sharkey's.

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**Synopsis:**

CHS meeting on 11/29/2018

<b>SIGNATURE</b>
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Submitted By	EAKEATING (undefined undefined)	Fri, 14 Dec 2018 14:52:41 -0500
First Level Approved By	JPKEELAN (John Keelan)	Mon, 17 Dec 2018 09:47:41 -0500

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